



State of New Jersey

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CHRIS CHRISTIE
Governor

July 29, 2010

The Honorable John H. Estey
Chair
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The Honorable Jeffrey L. Nash
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Gentlemen:

As you discussed with members of my staff yesterday, in light of the many troubling issues that have recently come to light at the Delaware River Port Authority, I proposed several reforms to be enacted in addition to those I have called for in recent days.

As you know, I had previously called for the abolition of DRPA employee car allowances, free E-ZPass and other perks not available to the toll-paying private citizens of New Jersey and Pennsylvania. I have also asked that the threshold for "no bid" contracts be lowered to comport with New Jersey's procurement best practices. I am pleased to see that Governor Rendell supports reform at the DRPA as well. We jointly agree that the following reforms should be adopted immediately:

- Allow full audit of the Authority's budget and performance by the Pennsylvania Auditor General (or an outside auditor) and the New Jersey Comptroller.
- Comply with Open Public Meeting and Records Acts and Sunshine Acts of Pennsylvania and New Jersey.

- Eliminate the existing separate caucus system (allow Executive Session for litigation, personnel, contracting or other confidential matters), and convene regular meetings of Board committees.
- Enact a "no gifts" restriction for Board members which clarifies that no Commissioner or employee of the Authority or a family member shall solicit or accept any gift or anything of value for personal benefit under any circumstance which could be reasonably expected to influence, or which is likely to be perceived as being reasonably expected to influence, the manner in which a Commissioner or employee conducts the public business or the Authority.
- Require Pennsylvania Commissioners to file financial statements under both the Governor's Code of Conduct and the State Ethics Act. New Jersey Commissioners will continue to file financial statements under New Jersey Ethics Laws.
- Require public Board votes on all contracts.
- Strengthen the Board Anti-Nepotism policies to preclude more than one member of a family (defined as a Commissioner's or employee's spouse, children, parents, and their children) from being employed simultaneously at the Authority.
- Strengthen the Board Conflict of Interest policy to make clear that all Commissioners and employees shall avoid all situations in which their personal interest, activities or financial affairs either are, or are likely to be perceived as being, in conflict with the interests of the Authority; prior to each Board meeting, require the Authority to circulate a list of entities that will be the subject of Board action and require Board members to identify conflicts in advance of the meetings.
- Enact an Undue Influence policy that precludes Commissioners and employees from exerting any undue influence in the selection of contractors, the hiring of employees, or the making of any other decision where the influence either is, or is likely to be perceived, as interfering with the independent, objective decisions of the Authority.
- Enact a "no outside employment" requirement for all employees at the level of director and above, unless approved by Board resolution.
- Eliminate all free toll/fare perks for employees and retirees.
- Eliminate all car allowances.
- Use best practices in all procurement efforts.

- Enact a Post-Employment restriction rule that precludes all employees at the level of director and above from accepting employment with any vendor or independent contractor of the Authority for a period of two years after the termination of his or her employment with the Authority.
- Enact a Political Contributions policy that requires all current and prospective DRPA vendors to disclose a list of political campaign contributions.
- Conduct a compensation review study to determine appropriate levels of compensation for all DRPA senior managers.

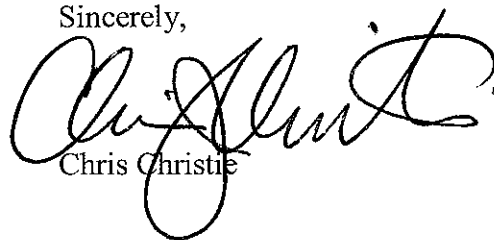
I note, however, that Governor Rendell's letter to you today fails to include certain of my proposed directives, as outlined below:

- *Require that all charitable contributions be presented to the Board for approval by resolution.* The Commissioners of both States and CEO should not be able to dole out money to “pet projects” without proper oversight and full Board approval.
- *Strengthen the Board Conflict of Interest policy to make clear that Commissioners and employees may not use DRPA time or DRPA resources in pursuit of any political activities.*
- *Clarify the newly proposed Political Contributions policy as being consistent with the New Jersey pay-to-play laws, P.L. 2005, ch. 51., by requiring vendors and vendor principals to disclose all political contributions made within the past four years.* Full disclosure by those who seek to do business with DRPA shall become the norm.

I hope that Governor Rendell is willing to endorse these additional reforms as well. It is imperative that each of these reforms be implemented without delay. We will continue to scrutinize the actions of the DRPA for adherence to all of these reforms, and I will not hesitate to exercise my veto authority over any DRPA Board action that does not conform therewith.

Thank you for your cooperation in this regard.

Sincerely,



Chris Christie

- c. The Honorable Edward G. Rendell, Governor of Pennsylvania
 John J. Matheussen, CEO, DRPA
 Deborah L. Gramiccioni, Director, Authorities Unit